

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In re Application of )

SABANATHAN, Thirumani )

Examiner: Unassigned )

Appln. No. 09/762,692 )

Group Art Unit: Unassigned )

Int. Filing Date: March 3, 1998 )

Priority Date: April 30, 1997 )

For: OCCLUSION DEVICE )

Attorney Docket No.: 05424.00002

Attn: Anthony Smith

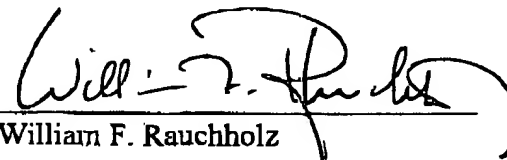
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Petition Under 37 C.F.R. § 1.137(b) is being facsimile transmitted to the U.S. Patent and  
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**SECOND REQUEST FOR RECONSIDERATION OF DENIAL  
OF PETITION UNDER 37 C.F.R. § 1.137(b)**

Assistant Commissioner for Patents  
Washington, DC 20231  
Sir:

Applicant respectfully requests reconsideration of the decision of the United States Patent and Trademark Office ("U.S. PTO") dated November 15, 2002 denying Applicant's Request for Reconsideration of Denial of Petition under 37 C.F.R. § 1.137(b) filed on June 10, 2002.

**I. ISSUE**

The issue before the U.S. PTO is whether the widow of an inventor, who agreed with her deceased husband's employer that the employer would prosecute a PCT application on her behalf with the proviso that she be kept informed of the progress of the application, is bound by the employer's abandonment of the PCT application without her notice or authorization. For the reasons discussed below, the answer to this question is "NO," and Applicant's Petition to Revive should be granted.

## II. BACKGROUND AND SUMMARY

The following provides general background information relating to this case as well as summaries of Applicant's and the U.S. PTO's positions with respect to the pending Petition to Revive.

The present U.S. patent application stems from an international application filed March 3, 1998 (PCT Appln. No. PCT/GB98/00652), which claimed priority to an earlier application for the invention filed in Great Britain on April 30, 1997. Although these two priority applications were filed in the name of Bradford Hospitals NHS Trust ("Bradford Hospital"), in actuality, the inventor, Dr. Sabaratnam Sabanathan, solely owned the invention. Dr. Sabanathan never assigned the invention to Bradford Hospital and was not contractually or otherwise legally obligated to do so. Upon his death, ownership of the invention and the later filed patent applications vested in his heir, namely, his wife, Thirumani Sabanathan.<sup>1</sup>

In order to proceed with the PCT application, Bradford Hospital requested and obtained a Power of Attorney from Mrs. Sabanathan for the express purpose of filing a national phase patent application in the United States. Mrs. Sabanathan provided the Power of Attorney based on Bradford Hospital's agreement that it would keep Mrs. Sabanathan and her attorney Susan Clark informed, on a regular basis, of the progress of the patents. Unfortunately, Bradford Hospital breached its agreement with Mrs. Sabanathan and did not keep her advised of the progress of the patent applications. In fact, without ever advising or consulting Mrs. Sabanathan (the true owner of the invention and the patent application) or her attorney, Bradford Hospital instructed its attorney Mark Lunt to abandon the PCT application without entering the U.S. national phase. This unauthorized abandonment constituted a breach of Bradford Hospital's

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<sup>1</sup> In an Entitlement Proceeding relating to the U.K. and PCT applications, the United Kingdom Patent Office confirmed Dr. Sabanathan's ownership, finding that Mrs. Sabanathan, not Bradford Hospital, is the true, sole owner of the invention and corresponding patent applications.

fiduciary duty owed to Mrs. Sabanathan and a breach of Bradford Hospital's agreement made to secure the Power of Attorney.

These facts bring us to the present. Because the true owner of the patent application, Mrs. Sabanathan, did not intend to abandon the application and was not consulted before it was abandoned, Mrs. Sabanathan now seeks to revive the application and enter the U.S. national phase. As noted above, the issue before the U.S. PTO is whether Mrs. Sabanathan, who agreed with her deceased husband's employer, Bradford Hospital, that the Hospital would prosecute a PCT application on her behalf with the proviso that she be kept informed of the progress of the application, is bound by the employer's unauthorized abandonment of the PCT application. Bradford Hospital's unauthorized actions, in breach of its fiduciary duties to and agreement with Mrs. Sabanathan, should not prevent revival of this unintentionally abandoned patent application.

The U.S. PTO has denied Applicant's Petition to Revive. As noted in the U.S. PTO's Decision dated November 15, 2002, Petitions to Revive under 37 C.F.R. § 1.137(b) must include four elements: (1) the required reply, unless previously filed; (2) the Petition fee; (3) a Statement that the entire delay in filing the required reply from the due date of the reply until the filing of a grantable petition was unintentional; and (4) a terminal disclaimer for applications filed before June 8, 1995. See the November 15, 2002, Decision at 2. The U.S. PTO concedes that Applicant has satisfied the requirements of elements (1), (2), and (4), but it disputes that Applicant has provided the necessary showing for element (3). Id.

The following summarizes the U.S. PTO's reasoning in asserting that Applicant has failed to provide the necessary showing for element (3) above:

- Bradford Hospital and its attorney (Mr. Lunt) had full authority to prosecute (or not prosecute) the application, and Mrs. Sabanathan is bound by their actions;
- In obtaining the decision that Mrs. Sabanathan owns the invention and corresponding patent applications in the U.K. Entitlement Proceeding, Mrs. Sabanathan did not provide the U.K. Patent Office with all necessary information and pertinent documents (referring

specifically to the June 6, 2000 Agreement among Bradford Hospital, Mrs. Sabanathan, and The Foundry, which resulted in the assignment of all rights and interests in the invention and any patent applications to The Foundry<sup>2</sup>);

- Bradford Hospital's failure to contest ownership in the U.K. Entitlement Proceeding clouds the legitimacy of the U.K. Patent Office's Decision; and
- Mrs. Sabanathan delayed unreasonably in filing the Petition to Revive from June 6, 2000 to February 9, 2001.

The U.S. PTO's reasons for denying the Petition to Revive are clearly erroneous. The Petition should be granted.

### **III. BRADFORD HOSPITAL'S AUTHORITY TO PROSECUTE THE PATENT APPLICATIONS WAS NOT ABSOLUTE AND UNFETTERED**

The relevant facts, when considered in their entirety, clearly demonstrate that Mrs. Sabanathan conditioned her grant of authority to prosecute the patent applications on Bradford Hospital's promise and agreement to keep her advised of the progress of the applications. Specifically:

- Mrs. Sabanathan conditioned the grant of authority to prosecute the PCT application on the requirement that she be kept "updated on a regular basis of the progress of the patents." See Exhibit 1, Declaration of Thirumani Sabanathan ("Sabanathan Declaration"), ¶9 and Tab 6 thereto; Exhibit 2, Declaration of Susan E. Clark ("Clark Declaration"), ¶8.<sup>3</sup>
- Bradford Hospital, in violation of its agreement with Mrs. Sabanathan, abandoned the application without informing her. See Exhibit 1, Sabanathan Declaration at ¶12; Exhibit 2, Clark Declaration at ¶10.

Because Bradford Hospital breached its agreement by failing to keep Mrs. Sabanathan informed, its unauthorized conduct is not attributable to Mrs. Sabanathan, and Mrs. Sabanathan cannot be found to have intentionally abandoned her application based on these unauthorized actions.

In its November 15, 2002, Decision, the U.S. PTO, in essence, ignores these facts and simply binds Mrs. Sabanathan to the unauthorized actions of Bradford Hospital and Mr. Lunt.

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<sup>2</sup> All rights in this invention and the corresponding applications are now owned by Emphasys Medical, Inc., by assignment from The Foundry, Emphasys' parent.

<sup>3</sup> Unless otherwise noted, all "Exhibits" referred to herein correspond to the Exhibits attached to Applicant's Request for Reconsideration filed June 10, 2002.

While the Decision discusses aspects of the financial relationship between Mrs. Sabanathan and Bradford Hospital with respect to the invention (*i.e.*, that the parties agreed to share in any financial benefit that might be obtained through commercial development of the invention), it completely ignores the relevant fact that Mrs. Sabanathan granted only conditional authority to Bradford Hospital to prosecute patent applications for the invention, and that this condition required Mrs. Sabanathan to be kept informed of the progress of the patent applications. *See* Exhibit 1, Sabanathan Declaration at Tab 6. Specifically, Mrs. Sabanathan's attorney's letter to Dr. Dugdale of Bradford Hospital, dated March 31, 1998, states that: "[t]he release to you of the Power of Attorney is obviously on the assumption that the agreement between the parties is as set out in the attached letter, [and] that you *keep us updated on a regular basis of the progress of the patents....*" *Id.* (emphasis added). Mrs. Sabanathan simply did not grant Bradford Hospital or Mr. Lunt "the authority to prosecute (or not prosecute)" the application, as the U.S. PTO has suggested. Mrs. Sabanathan cannot be held to have intentionally abandoned the application.

**IV. THE JUNE 6, 2000 AGREEMENT AMONG MRS. SABANATHAN, BRADFORD HOSPITAL, AND THE FOUNDRY WAS IRRELEVANT TO THE ENTITLEMENT PROCEEDING BEFORE THE U.K. PATENT OFFICE**

Ownership of the Sabanathan invention and the corresponding patent applications has not always been as unencumbered as it is today. At the time Dr. Sabanathan made the subject invention (a device for treating emphysema, a respiratory condition), he was employed part-time by Bradford Hospital as a consultant in thoracic surgery to teach and care for patients. *See* Exhibit 1, Sabanathan Declaration at ¶3, Tab 10 at ¶8, and Tab 11 at ¶7. Dr. Sabanathan's position and agreements with Bradford Hospital did not require that he conduct research or that

he assign his inventions to the Hospital.<sup>4</sup> Nonetheless, Dr. Sabanathan consulted, at Bradford Hospital's expense, with Mark Lunt, Bradford Hospital's patent attorney, regarding the invention. After consulting with Mr. Lunt, Dr. Sabanathan authorized Lunt, again at Bradford's expense, to prepare and file the original U.K. application on his invention. See Exhibit 3, Declaration of Mark Lunt, ¶3. That original patent application named Bradford Hospital as the applicant,<sup>5</sup> even though the Hospital had never received an Assignment of the invention from Dr. Sabanathan or his heir.<sup>6</sup>

These circumstances combined to create a cloud on title to the applications, and Mrs. Sabanathan brought an Entitlement Proceeding before the U.K. Patent Office for the express purpose of determining proper ownership of the patent applications relating to this invention. See Exhibit 1, Sabanathan Declaration at ¶17 and Tab 10. As a result of this Proceeding, the U.K. Patent Office declared Mrs. Sabanathan to be the true owner of this invention and the patent applications relating to it. See Exhibit 1, Sabanathan Declaration at ¶18 and Tab 11. The U.K. Patent Office determined that Bradford Hospital never owned the inventions or the corresponding applications. See Exhibit 1, Sabanathan Declaration, Tab 11 at ¶¶23-25, 27.

The U.S. PTO's November 15, 2002 Decision refuses to give the U.K. Patent Office's decision in the Entitlement Proceeding full faith and credit. Specifically, the U.S. PTO asserts that the U.K. Patent Office "may not have been provided with all the information and pertinent documents," referring specifically to the June 6, 2000 Agreement among Bradford Hospital, Mrs. Sabanathan, and The Foundry. See the U.S. PTO's November 15, 2002 Decision at 3. The U.S.

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<sup>4</sup> See Exhibit 1, Sabanathan Declaration, Tab 10 at ¶¶8, 10-11 and Tab 11 at ¶¶17, 22-24.

<sup>5</sup> Dr. Sabanathan was named only as the inventor. See Exhibit 1, Sabanathan Declaration, Tab 1.

<sup>6</sup> Dr. Sabanathan died suddenly on April 29, 1997, one day before the U.K. application was filed on April 30, 1997. See Exhibit 1, Sabanathan Declaration at ¶5 and Exhibit 3; Lunt Declaration at ¶4.

PTO's assertions regarding this Agreement provide no proper basis for its decision denying the Petition.

First, the June 6, 2000 Agreement among Bradford Hospital, Mrs. Sabanathan, and The Foundry had absolutely no relevance to any issues that were to be decided in the U.K. Entitlement Proceeding.<sup>7</sup> The issue to be decided in the Entitlement Proceeding, ownership of the Sabanathan invention and patent applications, turned on facts surrounding Dr. Sabanathan's work on the invention, his position at Bradford Hospital, and his contractual obligations to Bradford Hospital, as well as British law concerning inventorship, ownership, and inheritance. All of those relevant facts were before the U.K. Patent Office. *See* the U.K. Patent Office Decision, Exhibit 1, Sabanathan Declaration at Tab 11.

Dr. Sabanathan's work on the invention, his position at Bradford Hospital, and his contract with Bradford Hospital all ended at his death on April 29, 1997. An Agreement entered into on June 6, 2000 by his heir (and others), more than three years after his death, has absolutely no relevance to Dr. Sabanathan's work, his invention, or his 1997 relationship with Bradford Hospital. Because it was not relevant or material to the Entitlement Proceeding, there was no need to bring this Agreement to the U.K. Patent Office's attention in the Entitlement Proceeding.

Nonetheless, in bringing the Entitlement Proceeding, Mrs. Sabanathan advised the U.K. Patent Office of The Foundry's interest in the invention and her negotiations with Bradford Hospital and The Foundry relating to the invention. Mrs. Sabanathan's papers in the Entitlement Proceeding particularly noted that her negotiations with The Foundry and Bradford Hospital precipitated the Entitlement Proceeding. *See* Exhibit 1, Sabanathan Declaration, Tab 10 at ¶¶15-

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<sup>7</sup> A copy of the June 6, 2000 Agreement can be found at Exhibit 1, Sabanathan Declaration at Tab 8.



16. Moreover, the U.K. Patent Office's Decision acknowledges Mrs. Sabanathan's negotiations with The Foundry and Bradford Hospital. *See* Exhibit 1, Sabanathan Declaration, Tab 11 at ¶9.

Finally, nothing in the June 6, 2000 Agreement contradicts the facts presented to and/or found by the U.K. Patent Office. The Foundry, seeking to obtain all right, title, and interest to the invention, prudently sought and obtained an Assignment of rights to the invention and applications from all parties that possibly owned any rights to the invention. No prudent businessperson in the position of The Foundry would have relied upon ownership rights obtained from only one of Mrs. Sabanathan or Bradford Hospital. The June 6, 2000 Agreement was effectively a quitclaim through which both Bradford Hospital and Mrs. Sabanathan agreed to assign all of their right, title, and interest in the Sabanathan invention, if any, to The Foundry. Nothing in this Agreement establishes that the Hospital, in fact, was an owner of the invention or the corresponding patent applications.

**V. BRADFORD HOSPITAL'S AGREEMENT NOT TO CONTEST THE ENTITLEMENT PROCEEDING DOES NOT NEGATE THE U.K. PATENT OFFICE'S FINDING THAT MRS. SABANATHAN IS THE TRUE OWNER**

The U.S. PTO's November 15, 2002 Decision denying the Petition to Revive implies impropriety of some sort from the fact that Bradford Hospital agreed not to contest Mrs. Sabanathan in the Entitlement Proceeding. *See* the November 15, 2002 Decision at 3. The U.K. Patent Office's Decision declaring Mrs. Sabanathan the true owner should be given full faith and credit.

As described above, the U.K. Patent Office was clearly advised of the fact that negotiations had taken place among Mrs. Sabanathan, The Foundry, and Bradford Hospital. *See* Exhibit 1, Sabanathan Declaration, Tab 10 at ¶¶15-16. Additionally, the U.K. Patent Office's Decision confirms that it was aware of the fact that Bradford Hospital did not contest the facts as stated by Mrs. Sabanathan. *See* Exhibit 1, Sabanathan Declaration, Tab 11 at ¶¶5-6, 12. The

outcome of the Entitlement Proceeding was based on the relevant facts and law surrounding Dr. Sabanathan's invention and his relationship with Bradford Hospital before his death. The U.K. Patent Office independently evaluated the evidence (*id.*, ¶12) and found in favor of Mrs. Sabanathan. The U.S. PTO's November 15, 2002 Decision points to no relevant omissions or any erroneous statement in the relevant facts presented to the U.K. Patent Office by Mrs. Sabanathan in the Entitlement Proceeding. Rather, without any factual or legal basis, the U.S. PTO's November 15, 2002 Decision simply implies that something improper occurred. Reliance on such unsupported allegations about irrelevant issues is improper.

#### **VI. APPLICANT DID NOT DELAY IN FILING THE PETITION TO REVIVE**

As a final ground for denying the Petition to Revive, the U.S. PTO asserts that Mrs. Sabanathan became aware of the abandonment of the PCT application at least as early as June 6, 2000 (as evidenced by the Agreement with The Foundry, discussed above), and therefore, she "intentionally" delayed by filing the Petition to Revive on February 9, 2001. This line of argument erroneously assumes that ownership of the Sabanathan patent applications was resolved as of June 6, 2000. Quite to the contrary, true ownership of the Sabanathan patent applications was not settled as of June 6, 2000, and it was by no means clear at that time that Mrs. Sabanathan had standing to submit a Petition to Revive to the U.S. PTO.<sup>8</sup>

The letters exchanged between Mrs. Sabanathan's attorney and representatives of Bradford Hospital prior to the June 6, 2000, Agreement indicate that Bradford Hospital attempted to assert an ownership interest in the invention and led Mrs. Sabanathan to believe that the issue of ownership might reasonably be in dispute.<sup>9</sup> Mrs. Sabanathan had no choice but to

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<sup>8</sup> See, e.g., 37 C.F.R. § 1.137(b), which authorizes applicants or patent owners to file Petitions to Revive.

<sup>9</sup> See, for example, Exhibit 2, Clark Declaration at ¶5 and Tabs 1-3.

delay filing a petition to revive until after the ownership issue was resolved and after her standing to file such a petition had been determined.

Mrs. Sabanathan acted promptly in resolving the ownership dispute. She initiated the Entitlement Proceeding on September 7, 2000, three months after the June 6, 2000 Agreement was signed.<sup>10</sup> The U.K. Patent Office issued the Decision in the Entitlement Proceeding on January 25, 2001. See Exhibit 1, Sabanathan Declaration at Tab 11. On February 9, 2001, just fifteen days later, Mrs. Sabanathan filed the Petition to Revive in the U.S. PTO. This prompt and diligent action cannot be deemed to constitute an "unreasonable delay."

## VII. CONCLUSION

Mrs. Sabanathan granted authority to Bradford Hospital to pursue patent protection on her deceased husband's invention only on the express condition that the Hospital keep her informed of the progress of the patent applications. The Hospital failed to keep her informed and abandoned the U.S. application without her consent or authorization. Such unauthorized abandonment, in violation of the prior agreement, should not inure to Mrs. Sabanathan's detriment. Additionally, Mrs. Sabanathan acted properly and promptly in the Entitlement Proceeding, and she promptly sought revival of the U.S. application once her standing to do so was determined. Accordingly, the Petition to Revive should be **GRANTED**.


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<sup>10</sup> Three months is a reasonable time period for filing an Entitlement Action, given the work involved in collecting the necessary evidence, evaluating the relevant facts and law, preparing the Statement of the Case and associated exhibits, and filing the papers.

Should the U.S. PTO decide not to grant this Petition, Applicant requests that the decision be made a final decision by the agency subject to appeal in district court.

Respectfully submitted,

Date: January 15, 2003

By:   
for Nina L. Medlock  
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